

Water and Sewer Operating Fund
For the period ended May 31, 2004
(amounts expressed in thousands)

	FY2003 CAFR	FY2004				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 267,125	\$ 275,057	\$ 275,057	\$ 241,683	\$ 269,057	\$ 269,057
Sewer Sales	264,159	272,618	272,618	235,550	265,618	265,618
Penalties	4,036	3,741	3,741	3,881	4,141	4,141
Other	3,997	2,758	2,758	4,173	4,500	4,500
Total Operating Revenues	<u>539,317</u>	<u>554,174</u>	<u>554,174</u>	<u>485,287</u>	<u>543,316</u>	<u>543,316</u>
Operating Expenses						
Personnel	112,510	116,360	115,898	106,742	119,300	119,300
Supplies	21,824	24,508	26,183	22,050	25,000	25,000
Service Contracts & Utilities	113,563	124,091	123,276	92,319	121,000	121,000
Uncollectibles	0	1,000	1,000	0	1,000	1,000
Total Operating Expenses	<u>247,897</u>	<u>265,959</u>	<u>266,357</u>	<u>221,111</u>	<u>266,300</u>	<u>266,300</u>
Operating Income (Loss)	<u>291,420</u>	<u>288,215</u>	<u>287,817</u>	<u>264,176</u>	<u>277,016</u>	<u>277,016</u>
Nonoperating Revenues (Expenses)						
Interest Income	20,736	14,653	14,653	12,855	13,200	13,200
Sale of Property, Mains and Scrap	1,048	1,464	1,464	618	622	622
Other	8,790	20,118	25,008	68,465	68,676	68,676
CWA & TRA Contracts (P & I)	(30,934)	(32,701)	(32,701)	(31,454)	(31,576)	(31,576)
Total Nonoperating Rev (Exp)	<u>(360)</u>	<u>3,534</u>	<u>8,424</u>	<u>50,484</u>	<u>50,922</u>	<u>50,922</u>
Income (Loss) Before Operating Transfers	<u>291,060</u>	<u>291,749</u>	<u>296,241</u>	<u>314,660</u>	<u>327,938</u>	<u>327,938</u>
Operating Transfers						
Debt Service Principal	50,335	67,488	67,488	61,096	67,488	67,488
Debt Service Interest	155,344	150,854	155,745	153,161	171,291	171,291
Discretionary Debt	23,811	30,021	30,021	29,572	30,021	30,021
Equipment Acquisition	14,976	16,688	16,289	8,145	8,145	8,145
Renewal and Replacement*	0	26,698	16,598	0	0	0
Transfer to General Fund	0	0	0	0	4,100	4,100
Transfer to Combined Utility System	0	0	0	0	36,793	36,793
Accumulated Unexpended (ALP)	10,000	0	0	0	0	0
Transfer to Stormwater	25,462	0	10,100	10,100	10,100	10,100
Total Operating Transfers	<u>279,928</u>	<u>291,749</u>	<u>296,241</u>	<u>262,074</u>	<u>327,938</u>	<u>327,938</u>
Net Current Activity						
Operating Fund Only	\$ <u>11,132</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>52,586</u>	\$ <u>0</u>	\$ <u>0</u>

*Please refer to Page 32 for the current status of the Renewal and Replacement Fund No. 751.

About the Fund:

Public Utilities - Water and Sewer is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.